

April 29, 2008

VIA EMAIL & FAX

Mr. Rick Scott
Administrative Services Division
City Hall, Room 224
200 N. Spring Street
Los Angeles, CA 90012

RE: Downtown Center Business Improvement District: 2008 First Quarter Report

Dear Mr. Scott:

Attached is the required quarterly reporting of activity for Downtown Center Business Improvement District (DCBID) for the first quarter of 2008.

Public Space Management Programs: Annual Budget \$3,398,721

Safety Services:

Safety services are contracted to Universal Protection Services (UPS). Patrol services are in place 24 hours a day, seven days a week and are deployed on bicycles and vehicles from their Service Center facility located at 528 South Spring Street. Safety personnel responded to 22,019 calls for service during the months of January, February & March.

The Safety Patrol has been focusing on maintaining a safe neighborhood. Specifically, they have been addressing the problem of aggressive panhandling and Graffiti. Another pressing problem that they have been working on is illegal encampments around the areas of 1st street underpass, as well as the 2nd and 3rd Street tunnels. The DCBID homeless outreach team has been instrumental with their assistance.

Safety personnel received baton, first aid & CPR training as well as, disaster preparedness from a company called mayday disaster preparedness. During the first quarter of 2008, the Safety team provided assistance with events such as the Los Angeles Marathon and also participated in several demonstrations that came through the district.

Maintenance Services:

Maintenance services are contracted through Chrysalis, a neighborhood nonprofit organization that offers employment opportunities to the homeless and economically disadvantaged.

Maintenance sweeper crews sweep the sidewalks, empty trash receptacles, remove illegal decals, scrape gum from public phone booths and provide graffiti removal. The maintenance crew also deploys ATLV vacuum vehicles used to pick up large items of trash on sidewalks. Maintenance crews collected in excess of 25,000 bags of trash during the months of January, February & March.

Communication and Marketing Programs: Annual Budget \$1,419,741

Marketing Program:

Staffing - The new Director, Alexander Stettinski, started on March 5.

Guide to Downtown - The DCBID renewed the contract with Certified Folder Display and Western Brochure Distributors to disperse the BID's Guide to Downtown in over 600 locations in L.A., L.A. County and San Bernadino/ Riverside Counties. The Guide is also continued to be distributed through the BID's concierge services. The Guide is scheduled to be updated re-printed in Summer of 2008.

Website - The DCBID started the process of designing a new website. Initial meetings took place with the website developer and functionality of the current site was reviewed. In the meantime, the current site is continually being updated.

Open House 2008 - The Marketing division has supported the Open House 2008, scheduled for June 6, 7 & 8. The event is developed and implemented by the Economic Development division. Marketing helped with:

- Distribution of informational materials
- Answering merchants' questions about the event
- Sourcing advertising venues and pricing

Starline Tours - The DCBID has developed a relationship with Starline Tours, one of the biggest sightseeing companies in Los Angeles. Downtown L.A. will have a presence in their new Best of L.A. Visitors Guide and the development of a Downtown Tour for consumers is in the works.

Juror Video - The new Juror Video has been finalized and distributed to the court houses in Downtown L.A. The video helps jurors navigate Downtown during their lunch hour and encourages them to come back to visit during the weekends.

Newsletter - The DCBID resumed the production of its quarterly newsletter. The May issue was written and edited and will be distributed in early May.

11th Annual "Hope for Firefighters" Event - The DCBID is supporting this fundraiser again this year. The event benefits the LAFD widows, orphans and disabled firefighters. The Director attended the full committee meeting and is coordinating the BID's support for the event. The DCBID will help promote the event and its fundraising efforts.

L.A.'s Largest Mixer - The DCBID has committed to sponsoring L.A.'s Largest Mixer, a networking event at the Shrine Auditorium, scheduled for July 24. The Sponsorship includes the promotion of the event on www.downtownla.com and through email notifications.

Downtown News "Downtowners of Distinction" - The DCBID sponsored the event, which honors businesses in Downtown L.A. for their contributions to the community.

PR - The DCBID and Burson-Marsteller have been working on several media campaign concepts, including a "Staycation" campaign and a campaign to promote the Purple Patrol.

Economic Development Program:

- Downtown LA Open House 2008-We are pleased to report that we are producing a new special event as the successor to the Downtown Living Weekend entitled:

Downtown LA Open House 2008

A Weekend to Explore Living AND Playing in All Our Neighborhoods

June 6th, 7th & 8th

Any business or development can participate, including: apartments and condos, hotels, restaurants, bars, nightclubs, museums, cultural venues, etc.

The open house will cost \$500 per participant (Loft, restaurant, nightclub, hotel, museum, retail store, or whatever venue) and each participant will build their own open house page on our www.downtownla.com website. We at the DCBID will promote the open house with advertising, internet outreach, public relations, etc. For an additional \$2,500 a participant can be a Featured Sponsor. There is no cost for the public to attend the Open House.

The Open House will run from Friday night through Sunday Night. Residential Open Houses will run from 9am-6pm on Saturday and Sunday only.

We are encouraging Downtown hotels to run special deals, so that people can stay with us for the weekend. The Wilshire Grand has already committed to \$99 per night.

There will also be a central one-stop-shop for Downtown information at 7+Fig Shopping Center.

The Open House will cover all of Downtown, from Chinatown to the LA Mart, from Central City West to the LA River. There will be forums in each neighborhood with residents describing what it is like to live in that particular neighborhood of Downtown LA.

We will have special parking passes. The Open House is self guided. No shuttles will be provided. We will also encourage the use of public transportation.

Residents will be encouraged to hold dinners and parties in the evening at their homes and/or Downtown restaurants bars and nightclubs.

- Downtown DVD- Editing is being finalized and we expect the final product in April.
- Downtown Brochure -We are working on the content now and expect to have a final product in June.
- Downtown Los Angeles Demographic Survey. We have begun to develop a web based demographic survey designed to measure the buying power of not only new Downtown residents, but all Downtown residents, workers and visitors. The survey will take place in September with results being released in early January of 2009.
- Downtown Dog Day Afternoon at the Cathedral- We have scheduled our second annual event for Tuesday, July 29, 2008, from 6pm-9pm.
- 7th Street -Wokcano, at the southwest corner of 7th and Flower, is opening in early April. Bottega Louie, at the southeast corner of 7th and Grand, is under construction and 7 Restaurant, at the northeast corner of 7th and Grand, is due to open in March.
- Office Tenant Outreach-Once the DVD and brochure are completed, we will start office broker outreach both Downtown and throughout Southern California. This outreach will include in-person presentations and special follow-up tours. The DVD and the brochure will be part of our "tool kit" of marketing collateral.
- Private School-We have identified a site with Paul Cummins of the New Visions Foundation and are working on architectural and due diligence issues.
- Special Tours-We gave a number of special tours to individuals and groups during the month, including Counsel General Bob Peirce of The British Consulate.

- Julius Shulman-The photo shoot was held on January 20th and was a terrific success. Almost 30 photography students observed Mr. Shulman shooting Downtown over a five hour period. The event was photographed Gary Leonard and the Annenberg Foundation recorded the day for a documentary on Mr. Shulman. We are working now to produce a Downtown 2009 calendar with the images.
- Taxi Plan-There was a meeting of the Taxi Commissioners on February 7th, in which fifteen speakers spoke on behalf of being able to hail a cab naturally on all Downtown Streets, including during "No Stopping" zone hours. The Commissioners have formed a sub-committee to work with LADOT on how to make this possible. We are making progress once again, but process is slow.
- Downtown Developer Luncheon-On Friday, February 22nd, over 35 Downtown residential developers met to discuss current market conditions, challenges and success stories.
- Hotel Consulting-We met with representatives of of major hotel chain that is considering a site in Downtown Los Angeles in early March as part of their underwriting process.
- UCLA Extension- We met with representatives of UCLA Extension on March 11 to discuss outreach to the community of their new facility at Figueroa Plaza.
- High-Rise Managers Association-We hosted a lunch for 22 high-rise managers on March 14 at McCormick & Schmick's to discuss Downtown and premier the new Downtown video.
- Other Activities

Friday Walking Tours -30 people attended.

Saturday Housing Tours- We had almost 300 people attend.

Information Requests - We had 350 requests.

Administration Program: Annual Budget \$929,925

Downtown Center Business Improvement District contracted with Historic Downtown Business Improvement District to provide safety, maintenance, financial management, accounting and certain administrative services for these organizations. We have actual net revenue over (expenditures) of \$1,563,485 versus a projected \$1,431,965 for three months ended March 31, 2008.

After you have reviewed the documents, and if you have questions or need additional information, please feel free to contact me.

Sincerely,

Hong Zhao
Controller
Downtown Center Business Improvement District
Tel: 213-624-2146, Ext: 216

**Table of Quarterly Expenditures
Through March 31, 2008**

1. Public Space Management	\$3,398,721	\$790,722	\$790,722	\$831,985
2. Communications & Marketing	\$1,419,741	\$250,397	\$250,397	\$341,824
3. Special Projects	\$20,010	\$5,004	\$5,004	\$5,004
4. Administration	\$929,925	\$201,397	\$201,397	\$203,602
5. Total	\$5,768,397	\$1,247,520	\$1,247,520	\$1,382,415

